

Application No. 09/703,357

**REMARKS**

1. Applicant thanks the Examiner for the Examiner's comments, which have greatly assisted Applicant in responding. Applicant has tried to address Examiner's comments about examining the claims to the best of his ability in the amendment to Claims. Applicant is of the opinion that no further search is required because the claimed features are the same, just amended to read more clearly.

2. It should be appreciated that Applicant has elected to amend the Claims solely for the purpose of expediting the patent application process in a manner consistent with the PTO's Patent Business Goals, 65 Fed. Reg. 54603 (9/8/00). In making such amendment, Applicant has not and does not in any way narrow the scope of protection to which Applicant considers the invention herein to be entitled. Rather, Applicant reserves Applicant's right to pursue such protection at a later point in time and merely seeks to pursue protection for the subject matter presented in this submission.

3. **35 U.S.C. §112, second paragraph.**

20 The Examiner rejected Claims 1-68 because they recite "said merchant's web page is communicatively coupled to a decision engine by a message unit architecture".

Applicant has amended the Claims by modifying this description using linking and sending/receiving terminology instead. Applicant is of the opinion that such amendment to the Claims overcomes the rejection. As such, Applicant respectfully requests that the Examiner withdraw the rejection.

4. **35 U.S.C. §103(a).**

30 (a) The Examiner has rejected Claims 1-9, 11-13, 16-23, 25-43, 45-47, 50-57, and 59-68 under 35 U.S.C. §103(a) as being unpatentable over Kravitz in view of Gopinathan et al (Gopinathan) and further in view of US 2002/0032612 Williams et al.

35 Applicant respectfully disagrees.

To establish a *prima facie* case of obviousness, three basic criteria must be met. First, there must be some suggestion or motivation, either in the references

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themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference (or references when combined) must teach or suggest all the claim limitations. The teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art and not based on applicant's disclosure. *In re Vaeck*, 947 F.2d 488, 20 USPQ2d 1438 (Fed. Cir. 1991).

Applicant is of the opinion that none of the prior art of reference alone and the combination of the prior art references do not teach or suggestion the claim limitations.

First, the Examiner stated that Kravitz discusses the invention substantially as claimed. Applicant disagrees, as follows.

Kravitz and the claimed invention are based on two completely different systems. As such, there is no way that someone skilled in the trade would be able to naturally think of the claimed invention upon reading Kravitz.

#### Summary of Kravitz

The Kravitz protects the process that guarantees merchant payment.

A customer pre-registers with a certifying agent ("agent"). That certifying agent creates a system (CTA) on the customer's system which: executes electronic transfers, creates database searches, records transactions, and maintains receipts. A customer goes on the Internet and identifies something it wants to purchase from a registered merchant. A registered merchant is one that registered with the certifying agent and created a merchant-specific system comparable to the customer-specific system described above. The customer then sends a digital message to the CTA. After a brief check that the merchant is not fraudulent, CTA executes an electronic transfer through the customer's financial institution, ending at the merchant's system. An encrypted approval message is then generated by CTA and is sent to the customer. The message includes that the payment was made, however, it does not include any customer account information. The customer then forwards the message to the merchant. Upon receipt of the message, the merchant is assured that the payment was received and provides the goods to the customer.

#### Intermediary vs. Enabler

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At the most fundamental level, the two systems (Kravitz and The claimed invention) are based on two different types of technology.

Kravitz enables digital certificates and cryptography to ensure merchant payment.

- 5 Here, the "agent" is used as an intermediary between the customer and merchant – assuring the merchant that that payment is being made.

- 10 The claimed invention utilizes SSL and secure methods of storing data to help process payments for the merchant. The claimed invention, generally, does not ensure payment. Instead, it helps the merchant decide if the merchant wants to accept the payment, and, if it does, enables the merchant to electronically process the payment.

#### Registration

- 15 Kravitz requires both the customer and the merchant to register and create a certification system. In contrast, The claimed invention only requires the merchant to register with Wells Fargo. This feature emphasizes the underlying difference of intermediary vs. enabler.

#### Transaction Initiation

- 20 Kravitz's process requires the customer to go online and create a payment request within the customer's system. Kravitz covers a customer-initiated process – where the customer is required to instruct its system to make a payment request, and then forward the payment information to the merchant. The merchant does not receive  
25 any customer account information, rather an assured electronic message stating that the payment was made.

- 30 The claimed invention is based on the merchant's activities. The merchant needs to gather customer information and use the The claimed invention system to process the payment. The merchant could receive all the customer information – including account information.

#### Ensuring Payment vs. Payment Processing

- 35 Kravitz ensures that the payment is made to the merchant by executing an electronic transfer of funds. The claimed invention, however, helps process the payment. As such, The claimed invention is involved with the entire flow of money: debiting the customer, crediting the merchant, and, end-to-end dispute management (for

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example, creating a charge-backs against the merchant, and reversals against the customer). This protects the rights of both the merchant and the customer.

#### Missing Process

- 5 Although Kravitz touches on the process of transferring customer's funds to the merchant, this process is incidental to Kravitz. Kravitz does not really discuss in detail how the execution of an electronic transfer request is accepted by the customer's financial institution, or how the money is transferred to the merchant. Rather, Kravitz focuses on the accounting and recording processes of the transfer of funds.
- 10

- The claimed invention, on the other hand, focuses on the actual transfer of funds: how a merchant gets money from a customer into the merchant's account. This focus establishes that the The claimed invention system did not gain any knowledge from the Kravitz.
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Summary: Kravitz v. The claimed invention		
	<i>The claimed invention</i>	<i>Kravitz</i>
<i>Security</i>	SSL and secure data storage	Digital Certificates & Cryptography
<i>Registration</i>	Merchant only	Merchant & Customer
<i>Function</i>	Enabler	Intermediary
<i>Initiation</i>	Merchant	Customer
<i>Customer Information</i>	Gathered by merchant	Some information hidden from merchant
<i>Focus</i>	Payment Processing	Payment Assurance

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Second, none of the cited prior art alone or in combination, particularly Williams, teach or suggest:

5        when desired said merchant initiating and processing a refund and  
      subsequent ACH credit using said order ID to identify said at least one Internet  
      transaction to confirm correct transaction; and  
      when desired said merchant initiating and processing a return and  
      subsequent FDMA credit using said order ID to identify said at least one Internet  
      transaction to confirm correct transaction.

10       In contrast, Williams teaches a product information block that contains among other things a merchant product key. But there is no teaching of using that key to link an ACH return or an FDMA return to the original transaction as does the claimed invention.

15       Support can be found in the Specification as a whole and at least in the following sections, as follows: on bottom of page 8 to top of page 9, page 14, lines 6-8, page 15, lines 9-21, page 17, lines 19-21, page 14, lines 11-17, page 22, lines 17-22, and page 27, lines 15-24.

20       Accordingly, in view of the argument put forth hereinabove and of the amendment to Claims, Applicant is of the opinion that Claims 1 and 35 and the respective dependent claims are in allowable condition. Therefore, Applicant respectfully requests that the Examiner withdraw the rejection under 35 U.S.C. §103(a).

25       (b) The Examiner has rejected Claims 14, 15, 48, and 49 under 35 U.S.C. §103(a) as being unpatentable over Kravitz and Gopinathan in view of Blazing A Trail in Point of Sale Transaction.

30       Applicant assumes that the Examiner meant to include in view of Williams, as these claims are dependent on independent Claim 1 and 35 respectively. The rejection of Claims 14 and 48 is deemed moot in view of Applicant's remarks regarding Claims 1 and 35 above. Claims 14 and 48 are dependent upon independent Claims 1 and 35, respectively, which are in allowable condition. Claims 15 and 49 are dependent of  
35       Claims 14 and 48, respectively. Therefore, Applicant respectfully requests that the Examiner withdraw the rejection under 35 U.S.C. §103(a).

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(c) The Examiner has rejected Claims 10, 24, 44 and 58 under 35 U.S.C. §103(a) as being unpatentable over Kravitz and Gopinathan in view Hilts et al (Hilts).

5 Applicant assumes that the Examiner meant to include in view of Williams, as these claims are dependent on independent Claim 1 and 35 respectively. The rejection of Claims 10, 24, 44 and 58 is deemed moot in view of Applicant's remarks regarding Claims 1 and 35 above. Claims 10, 24, 44 and 58 are dependent upon independent Claims 1 and 35, respectively, which are in allowable condition. Therefore, Applicant respectfully requests that the Examiner withdraw the rejection under 35 U.S.C.  
10 §103(a).

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**CONCLUSION**

5 Based on the foregoing, Applicant considers the present invention to be distinguished from the art of record. Accordingly, Applicant earnestly solicits the Examiner's withdrawal of the rejections raised in the above referenced Office Action, such that a Notice of Allowance is forwarded to Applicant, and the present application is therefore allowed to issue as a United States patent. The Examiner is invited to call (650) 474-8400 to discuss the response.

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Respectfully Submitted,

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